

MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON MAY 13, 2005 IN SALT LAKE CITY, UTAH

Board Members Present

Dale Pierson, Chairman
Anne Erickson, Vice Chairman
Myron Bateman
Jay Franson
Laurie McNeill
Nancy Melich
Charlie Roberts
Petra Rust
Chris Webb

Board Members Excused

Dianne Nielson
Ron Thompson

Staff

Kevin Brown
Ken Wilde
Rich Peterson
Merrit Fisher
Ken Bousfield
Kim Dyches
Janet Keller
Brian Harris
Jim Martin
Bill Birkes
Rachael Cassady
Brett Shakespear
Svetlana Kopytkovskiy
John Oakeson
Linda Matulich

Guests

Eric Franson, Franson-Noble
Bill Young, Logan City
Gary Durrant, Metropolitan Water
Shannon Allen, Antimony Town
Fred Nelson, Attorney General's Office
Melissa Hubbell, Attorney General's Office
Doug Nielsen, Sunrise Engineering
Dan Aubrey, Division of Water Resources
Bruce Chesnut, Orem City
Russ Donoghue, Rural Water Association
Chuck Jeffs, Rural Water Association
Clyde Watkins, Rural Water Association
Shantae Rindflesich, Citicourt Reporter
David Hansen, Fairfield Irrigation
Roland Hansen, Fairfield Irrigation
John Chartier, Sunrise Engineering
Neil Forster, West Millard Water Agency
Darwin Jensen, Mayor, Centerfield City
John Iverson, Sunrise Engineers
Gwen Jensen, Centerfield City
Dorthella Jensen, Centerfield City

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Salt Lake City, Utah with Chairman Pierson presiding. The meeting was called to order at 1:00 pm.

ITEM 2 – ROLL CALL

Chairman Pierson asked Kevin Brown to call roll of the Board members. The roll call showed there were 8 members present at the time.

Chairman Pierson thanked Herriman City for the informative tour of their water system for the Board this morning.

ITEM 3 – INTRODUCTIONS

Chairman Pierson welcomed everyone and asked the guests to introduce themselves.

ITEM 4 - APPROVAL OF MINUTES – MARCH 4, 2005

Chairman Pierson stated a motion to approve the March 4, 2005 minutes would be in order.

Chairman Pierson made a correction to the minutes. On page 2 under Item 4 – Approval of Minutes – March 4, 2005: **It should read: Jay Franson** moved to approve : **And not read: Jay Pierson** moved to approve.

Anne Erickson moved to approve the March 4, 2005 minutes with the change Chairman Pierson stated above.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

ITEM 5 – ADMINISTRATIVE HEARING ON FAIRFIELD IRRIGATION WATER COMPANY

Chairman Pierson read an Opening Statement to start the Administrative Hearing for Fairfield Irrigation Water Company.

Shantae Rindflesich, court reporter for Citicourt, transcribed Fairfield Irrigation Water Company's Administrative Hearing for the Board. An original copy of the transcript will be sent to the Division of Drinking Water. The transcript will be available for review upon request.

Fred Nelson, Attorney General's office, joined the Board at the Board table. Fred Nelson represented the Drinking Water Board during the Administrative Hearing proceedings.

Melissa Hubbell, Attorney General's office, represented the Division of Drinking Water staff during the Administrative Hearing proceedings. Melissa Hubbell made a presentation to the Board regarding Fairfield Irrigation Water Company.

Witnesses were sworn in to address the Board on behalf of the Division staff. Witnesses were sworn in to address the Board on behalf of Fairfield Irrigation Water Company. The Board members and witnesses were asked to state their name before they spoke.

Discussion followed by the witnesses for the Division staff and witnesses for Fairfield Irrigation Water Company.

The Board members commented and asked questions of the witnesses.

Myron Bateman moved the Board follow the staff recommendations that Fairfield Irrigation Water Company will be assessed a \$3,600 penalty fee for each or any violation that occurs within the next three years.

Fred Nelson clarified that the Board could only assess the \$3,600 once, and that subsequent penalties would have to be consistent with the Boards policy.

Myron Bateman added the following to his motion: If additional violations occurred, they would be subject to further penalty assessment under the Boards policy.

Discussion followed.

Chris Webb seconded.

**CARRIED
(Unanimous)**

ITEM 6 – SRF CONSERVATION COMMITTEE REPORT

1) Status Report

Ken Wilde reported there are three rules being considered for revision today. They are: 1) Minimum Pressure. Staff anticipates having a draft revision before the Board at the July 15, 2005 Board meeting. 2) Disinfection. Staff anticipates having a draft revision before the Board at the September 9, 2005 Board meeting. 3) Vulnerability Assessment Requirement. It has been suggested to add Vulnerability Assessments as a requirement on all loans. Other offices are starting to require applicants to complete their assessments before they come to their Board for assistance. The applicants are turning in their Vulnerability Assessments to EPA, not to the Division of Drinking Water.

Ken Wilde reviewed the different tables listed in the Status Report for the State SRF loan program and the Federal SRF loan program and gave some background info in each table.

Ken Wilde mentioned the loans that are in the process of being closed in the next month. Monroe's loan was closed about a week and a half ago. Wilkinson will close their loan next Friday, May 20, 2005.

Kevin Brown mentioned the President's budget was reduced from \$200,000,000 to \$300,000,000 in the Clean Water Act SRF Fund.

Discussion followed.

2) State SRF Applications

a) Angell Springs Special Service District

Rich Peterson mentioned that Angell Springs Special Service District (SSD) was authorized funding to construct a new storage tank at the March 4, 2005 Drinking Water Board meeting. Angell Springs asked for a modified repayment schedule to accommodate the bond they have with the Water Resources Board that will mature in 10 years. The SRF Committee recommends the Board accept the modified repayment schedule with the same terms.

Discussion followed.

Charlie Roberts moved the Board authorize the SRF Conservation Committee's recommendation of a modified repayment schedule with the same terms as previously authorized of a: \$101,000 grant and a \$249,000 loan at 0% to be repaid over a 20 year term.

Jay Franson seconded.

**CARRIED
(Unanimous)**

b) Antimony Town

Jay Franson abstained from voting, due to a conflict of interest.

Rich Peterson reported the Town of Antimony is working on their water system in two sections. In June 2002, Antimony was authorized funding to work on the first ½ of their system. There is \$95,000 left over in the escrow account from the first project. Antimony would like to use the remaining \$95,000 and add to that in order to work on the second ½ of their project. Antimony is requesting \$216,000 in financial assistance. Antimony does qualify for a hardship grant. If the Board gives a 50% grant, the water bill would still be at 2.23% of the MAGI. The applicant's request is for more than 50%. Another alternative is to extend a loan for 25 or 30 years.

The SRF Conservation Committee is recommending the Board give Antimony a 50% grant of \$68,000 and a loan of \$148,000 at 0% to be repaid over 20 years on the condition they resolve the appropriate issues on their compliance report.

The Mayor of Antimony and Eric Franson, Franson Noble Engineering, addressed the Board.

Discussion followed.

Myron Bateman moved the Board authorize the SRF Conservation Committee's recommendation of a grant of \$68,000 and a loan of \$148,000 at 0% for 20 years on the condition that they resolve the appropriate issues on their compliance report, and that the town is authorized to use the \$95,000 money that is left over from the previous loan for this project.

Petra Rust seconded.

CARRIED

Eight voted yes. Jay Franson abstained.

c) Centerfield City

Rich Peterson mentioned the Board authorized a planning loan to Centerfield City last year to drill two test drills. They have some nitrate issues with their water system. They are now currently pursuing a project for a water treatment plant. Centerfield City has requested that the planning loan be changed to a planning grant due to their hardship. Centerfield City does qualify for a hardship grant. The SRF Conservation Committee's recommendation is that the money be rolled in to the project and give them a 50% grant of \$35,000 and a loan of \$69,000 at 0% to be repaid over 25 years.

Discussion followed.

The Mayor of Centerfield City and John Iverson, Sunrise Engineering, addressed the Board.

Nancy Melich moved the Board authorize the SRF Conservation's Committee recommendation of a planning loan to be rolled into a project funding and authorize a grant of \$35,000 and a loan of \$69,000 at 0% to be repaid over 25 years on the condition that they resolve the appropriate issues on their compliance report. Also, until funding of the water treatment plant is in place which would dissolve the planning loan, the Board allow a one time balloon payment option so that no payment is due while the project funding is being obtained.

Laurie McNeill seconded.

**CARRIED
(Unanimous)**

d) West Millard Water Agency

Rich Peterson mentioned at the November 8, 2002 Board meeting the Board authorized a planning advance of \$60,000 to West Millard on behalf of Hinckley, Delta and Deseret-Oasis to investigate an arsenic treatment solution for them. The study is almost complete. The SRF Conservation Committee recommends the Board extend the deadline for all of the remaining payments, and allow the remaining debt to be rolled into project funding.

Discussion followed.

Neil Forster and John Chartier, Sunrise Engineering, addressed the Board.

Dale Pierson moved the Board authorize the SRF Conservation Committee's recommendation to extend the deadline of all payments until the end of the 5-year period and allow the remaining debt to be rolled into project funding.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

3) Federal SRF Applications

a) Veyo Culinary Water Association

Dale Pierson stepped out.

Merrit Fisher mentioned that Veyo Culinary Water Association requested a grant of \$30,000 from the Board at the March 4, 2005 Board meeting. The Board authorized a loan for \$30,000 at 0%. Since the March meeting, the Veyo Culinary Water Association has decided they don't want the loan.

Discussion followed.

Myron Bateman moved the Board deauthorize the loan authorized at the March 4, 2005 Board meeting for \$30,000 at 0% to the Veyo Culinary Water Association.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

b) Orem City

Merritt Fisher mentioned the Board authorized a loan of \$3,500,000 for 20 years @ 1.48% to Orem City for the construction of improvements to their drinking water system at the June 13, 2003 Drinking Water Board meeting. On December 10, 2004, the Board authorized a time extension for a loan closing to be held on August 12, 2005. On March 21, 2005, Orem City asked the Board to change their scope of work. Merritt gave some background information on Orem City's request.

Bruce Chesnut, Orem City, addressed the Board.

Dale Pierson returned.

Myron Bateman moved the Board authorize the SRF Conservation Committee's recommendation to change the scope of work from the construction of a 20 million-gallon storage tank to water distribution system improvements with no change in the loan amount or the terms.

Discussion on motion.

Jay Franson seconded.

**CARRIED
(Unanimous)**

c) Logan City

Rich Peterson mentioned Logan City would like to obtain funding to replace a transmission line in Logan Canyon. The total cost of the project is \$9,200,000. Logan City was authorized a funding loan of \$345,000 at the January 18, 2005 Board meeting. Logan City would like to roll the planning loan into the project loan. Rich went over the funding options Logan City could use under the Federal SRF Loan Program. The SRF Committee recommends authorizing rolling the planning loan in with the construction loan of \$3,000,000 for a total of \$3,345,000 loan at 0.80% for 20 years with no principal forgiveness.

Laurie McNeill declared a conflict of interest on Logan City's request due to being a resident of Logan City.

Bill Young, Logan City representative, addressed the Board.

Discussion followed.

Dale Pierson moved the Board authorized the SRF Conservation Committee's recommendation of a \$3,3450,000 loan at 0.80% for 20 years, with no Principal Forgiveness on the condition they resolve the appropriate issues on their Compliance Report are resolved.

Jay Franson seconded.

CARRIED

Eight voted yes. Laurie McNeill abstained.

Myron Bateman left the Board meeting.

ITEM 7 – FIVE YEAR REVIEW OF R309-100, 200, 300, AND 400 SERIES RULES

Ken Bousfield reported that the Legislature requires staff to renew the rules every five years. Ken mentioned the rules are quite extensive, and reviewed the rules that need to be renewed. Ken mentioned staff is recommending the Board authorize staff to proceed with rulemaking and file the appropriate forms.

Jay Franson moved the Board authorize staff to proceed with rulemaking and file the appropriate forms with the Division of Administrative Rules for the five-year review of R309-100 through 305 and R309-405.

Chris Webb seconded.

**CARRIED
(Unanimous)**

ITEM 8 – PROPOSED RULE CLARIFICATION ON THE DEFINITION OF A “PUBLIC WATER SYSTEM”

Ken Bousfield outlined staff's proposed change to the definition of a Public Water System. Specifically, the rule is clarified in two areas as: 1) It assigns a default value to the number of persons served by a service connection as the average number of people per residence based on the 2000 census. 2) It clarifies what is meant by “selling” of the water in the case of sub-metered connections. The sub-metering language follows policy language published by US EPA in the December 23, 2003 Federal Register.

Charlie Roberts moved the Board authorize staff to proceed with rulemaking and file the appropriate forms with the Division of Administrative Rules for the proposed rule changes to R309-100 for a clarification of the definition of a public water system.

Discussion followed.

Petra Rust and Anne Erickson seconded.

Jay Franson moved to amend the motion of staff's recommendation to include the words under R309-100-4 - Item C in the first sentence: A ratio of 3.13 persons per connection would only be used to calculate the population served to determine whether it's a public water system.

Charlie Roberts accepted the amended motion. Petra Rust and Anne Erickson reseconded the amended motion.

**CARRIED
(Unanimous)**

ITEM 9 – ARSENIC, FILTER BACKWASH RECYCLING RULES

Ken Bousfield reported that the Arsenic Rule and the Filter Backwash Recycling Rule are federal rules and have been adopted through the federal rulemaking process. Staff now needs to have the state's Arsenic Rule and Filter Backwash Recycling Rule correspond with the two federal rules in order for the state to maintain primacy. The two rules have been prepared and are in the packet. Staff is recommending the Board authorize staff to proceed with rulemaking and file the appropriate forms.

Discussion followed.

Jay Franson moved the Board authorize the staff recommendation to have staff proceed with rulemaking and file the appropriate forms with the Division of Administrative Rules for the proposed changes to R309-100 (in combination with the clarification of the definition of a public water system), R309- 105, R309-110, R309-200, R309-205, R309-215, R309-220, R309-505, and R309-535.

Anne Erickson seconded.

**CARRIED
(Unanimous)**

ITEM 10 – CHAIRMAN'S REPORT

a) Thank You to Chris Webb and Nancy Melich – Plaques

Chairman Pierson reported this is Chris Webb's and Nancy Melich's last meeting. Chairman Pierson, on behalf of the Board and staff, thanked Chris and Nancy for their time, dedication and service to the Drinking Water Board. They have both been excellent Board members and will truly be missed. Chairman Pierson gave them a plaque from the Drinking Water Board.

Chairman Pierson mentioned the amount of work involved in learning and being able to contribute to the Board at the Board meetings. The SRF/Conservation Committee that is a very

valuable and beneficial Committee to the Board. Chris has been a member of this Committee for a long time.

Chris Webb and Nancy Melich addressed the Board.

ITEM 11 – DIRECTORS REPORT

- a) Introduce New Staff – Merrit Fisher, Brian Harris, Svetlana Kopytkovskiy, and Michael Pfeiffer

Kevin mentioned since the May/June 2004 timeframe, the Division has been experiencing various retirements and changes. Kevin introduced 4 new staff members: Merrit Fisher, Brian Harris, Svetlana Kopytkovskiy, and Michael Pfeiffer. Brian Harris has filled a new position in the Compliance Section. Merrit Fisher, Svetlana Kopytkovskiy and Michael Pfeiffer are new employees in the Engineering Section.

- b) Division Goals FY 2006 (Handout)

Kevin reported on the Division's 2006 Annual Goals, which are in the handouts for the Board members. Chairman Pierson and Jay Franson, on behalf of the Board, attended the annual retreat. Kevin reviewed some of the goals with the Board.

ITEM 12 – NEWS ARTICLES

The news articles are in the packet.

ITEM 13 – LETTERS

The letters are in the packet.

ITEM 14 – UPDATE

The update is in the packet.

ITEM 15 – NEXT BOARD MEETING

The next Drinking Water Board meeting is scheduled for July 15, 2005 at 168 North 1950 West, Room 101, Salt Lake City, Utah. There will be a work meeting in the morning instead of a tour of Centerville City's water facilities.

ITEM 16 – OTHER

Chairman Pierson welcomed the new staff members.

Russ Donoghue, on behalf of the Rural Water Association of Utah, complimented Chris Webb and Nancy Melich. Russ thanked them for the contribution they made during their time on the Board.

ITEM 17 – ADJOURN

Chairman Pierson stated a motion to adjourn the meeting was in order.

Chris Webb moved to adjourn the Board meeting.

Nancy Melich seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary